

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1912 - HB 1897

February 12, 2014

SUMMARY OF BILL: Increase, from 95 to 98 percent, the portion of clean claims received from providers that a health insurance entity must properly process and pay. If such threshold is not met, the Commissioner of Commerce and Insurance may penalize a health insurance entity up to \$10,000.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- According to the Department of Commerce and Insurance, the Insurance Division will be able to respond to and investigate any additional complaints using existing resources.
- This bill would penalize those health insurance entities which fail to process and pay up to 98 percent of all clean claims from providers.
- A clean claim is a claim in which all information has been provided to the health insurance entity and no adjustments or alterations are needed to process the claim.
- According to the Division, it does not expect any additional penalties to be assessed due to this bill. Any increase in state revenue derived from penalties assessed is estimated to be not significant.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumptions:

- Any increase in expenditures for insurance companies to increase the percentage of clean claims processed and received by three percent will not be significant to the overall expenditures of the company.
- This is not expected to result in any additional penalties to businesses.
- This will have no significant impact on commerce or jobs in this state.

SB 1912 - HB 1897

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jdb